

Message Text

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C O N F I D E N T I A L WELLINGTON 0372

EO 11652: GDS

TAGS: OCON OVIP (RUSH)

SUBJECT: DEPSEC VISIT - EMBASSY INPUT FOR BILATERAL CONVERSATION
BRIEFING PAPERS

REF: STATE 019641

1. RECOMMENDATIONS REQUESTED PARA 7 REFTEL FOLLOW SERIATIM:

2. US-NZ RELATIONS--BACKGROUND--DISCUSSION THIS AREA
SHOULD BE COUCHED IN TERMS RECOGNIZING KIRK'S
INSISTENCE ON GREATER NZ INDEPENDENCE AND FREEDOM OF
OPERATION IN FOREIGN POLICY SPHERE. KIRK'S EFFORTS
HAVE GENERALLY COMPLEMENTED NIXON DOCTRINE AND WILL,
WE BELIEVE, CONTINUE TO DO SO. THE BASIC COMMON
HERITAGE OF OUR TWO COUNTRIES REMAINS A STRONG LINK
WHICH WILL ENSURE THAT NZ POLICY, THOUGH INDEPENDENT
FROM DIRECT US INFLUENCE, WILL CONTINUE TO JIBE WITH
OUR BASIC INTERESTS.

3. US DEFENSE INSTALLATIONS IN NZ - MAJOR PROBLEM
UNDER THIS TOPIC IS LEASE AT MR.JOHN-NUNN CAMERA
STATION. HAVE BEEN UNOFFICIALLY INFORMED KIRK MAY
WANT TO DISCUSS THIS PERSONALLY WITH DEPSEC. BALL
PRESENTLY IN NZ COURT AS THEY ATTEMPT TO COME UP WITH
SEVERAL PERSONNEL FOR JOINT MANNING. RENEWAL OF LEASE
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PREDICATED ON GNZ'S BEING ABLE TO ANNOUNCE THAT JOINT

MANNING A REALITY. CHARGE TAKING UP MANNING QUESTION WITH APPROPRIATE OFFICIALS FEBRUARY 14 AND 15. WILL REPORT RESULTS THESE EFFORTS ASAP ALONG WITH SUGGESTED DESEC APPROACH TO KIRK. RE OPERATION DEEPFREEZE EMBASSY BELIEVES DEPARTMENT SHOULD CHECK WITH NSF FOR LATEST INFORMATION ON THEIR PLANS PHASE OUT NAVY SUPPORT.

4. NZ PROPOSAL FOR SOUTH PACIFIC NUCLEAR FREE ZONE - WE DOUBT DESEC (OR ANYONE ELSE) WILL BE ABLE CONVINCE KIRK THAT THIS IDEA IS NON-STARTER. NUCLEAR IS A DIRTY SEVEN LETTER WORD FOR KIRK. FIRM POSITIONING OF US POSITION IN CONTEXT OF NZ RESPONSIBILITIES AS ANZUS PARTNER MAY, HOWEVER, RESULT IN HIS PUTTING PROPOSAL ON BACK BURNER. THE LABOUR PARTY MANIFESTO CALLS FOR CONTINUED SUPPORT OF ANZUS. WE WOULD PREFER THAT THE KIRK GOVERNMENT NOT, IN EFFECT, UNDERMINE THIS SUPPORT BY CONTINUING TO CALL FOR A SOUTH PACIFIC NUCLEAR FREE ZONE. NOR DO WE CONSIDER HELPFUL HIS STATEMENT (RE DIEGO GARCIA EXPANSION) DEPLORING ALL MILITARY ACTIVITIES IN THE INDIAN OCEAN. AS A PARTNER IN ANZUS NEW ZEALAND SHOULD SHOW MORE UNDERSTANDING FOR THE US DEFENSE ROLE. BRIEFING PAPER SHOULD NOTE NZ'S CONTINUED SUPPORT FOR FPDA AND SEATO (ALBEIT WITH A SOMEWHAT CHANGED ROLE).

5. BILATERAL AND MULTILATERAL ECONOMIC ISSUES -

A. GENERALLY EXPECTED IN GNZ CIRCLES THAT PASSAGE US TRADE BILL, ESSENTIALLY IN PRESENT FORM, NECESSARY TO EFFECTIVE US NEGOTIATIONS AT THE MTN. KIRK AND WALDING WILL BE VERY MUCH INTERESTED IN KNOWING PRESENT STATUS THIS LEGISLATION AND PROSPECTS AND EXPECTED TIMING ITS PASSAGE.

B. MR. KIRK FEELS THAT INTERESTS SMALL OIL-CONSUMING NATIONS WILL NOT BE ADEQUATELY SAFEGUARDED OR MADE KNOWN AT FEBRUARY 11 ENERGY CONFERENCE. HE ALSO CONCERNED THAT MEETING MIGHT BE INTERPRETED BY ARABS AS A GANGING UP OF CONSUMING NATIONS AGAINST PRODUCER NATIONS WITH ALL CONSUMING NATIONS (INCLUDING

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THE SMALL ONES NOT ATTENDING THE CONFERENCE) STANDING TO SUFFER IF ARAB COUNTRIES SHOULD DECIDE TO RETALIATE. KIRK SHOULD BE BRIEFED AS FULLY AS POSSIBLE ON OUTCOME OF CONFERENCE, WHAT THE US ENVISAGES AS NEXT MEASURES TO TAKE TO AVOID CONFRONTATION AND WHAT IS BEING DONE TO ASSURE THAT INTERESTS OF SMALL OIL-CONSUMING NATIONS ARE FULLY TAKEN INTO ACCOUNT.

C. KIRK, WALDING AND ALSO MARSHALL WOULD BE VERY INTERESTED IN UP-TO-DATE INFORMATION THAT IS AVAILABLE ON LIKELY EVOLUTION OF OIL CRISIS, WHETHER ARAB COUNTRIES ARE LIKELY RELAX PRODUCTION RESTRICTIONS AND LOWER PRICES OF CRUDE AND PETROLEUM PRODUCTS. THEY WILL BE MOST INTERESTED IN ANY INSIGHT INTO THE LIKELY EFFECT ON THE WORLD ECONOMIC SITUATION, ESPECIALLY AS REGARDS INTERNATIONAL TRADE, OF FUEL SHORTAGES. A SIZEABLE INCREASE IN SHIPPING COSTS COULD HAVE A VERY SERIOUS EFFECT ON NZ ECONOMY.

D. KIRK AND WALDING WILL WISH TO LEARN OF PROSPECTS FOR RELAXATION US IMPORT CONTROLS ON DAIRY PRODUCTS. WILL ALSO WANT TO KNOW OF POSSIBILITIES FOR PERMANENT RELAXATION OF MEAT IMPORT CONTROLS. NEW ZEALAND'S INTEREST SEEMS TO BE FOCUSING MORE ON GUARANTEED STABLE EXPORT MARKETS RATHER THAN RELYING ON A SERIES OF SUDDENLY ANNOUNCED LARGE IMPORT ALLOCATIONS.

E. SINCE THE UNITED STATES IS SUCH AN IMPORTANT FACTOR IN THE HEALTH OF NEW ZEALAND'S AND THE WORLD'S ECONOMY, AN ASSESSMENT OF THE ECONOMIC OUTLOOK FOR THE US THROUGH THE END OF 1974 WILL BE OF GREAT INTEREST, ESPECIALLY TO KIRK AND MARSHALL.

F. GNZ AT PRESENT WORKING ON A GLOBAL ECONOMIC GROWTH POLICY. THIS POLICY MAY BE ANNOUNCED PUBLICLY WITHIN THE NEXT FEW MONTHS. IT WILL LIKELY INCLUDE CHANGES OF CONSIDERABLE INTEREST TO THE US SUCH AS CHANGES IN GNZ'S PRESENT IMPORT POLICIES. KIRK MAY BE PREPARED OUTLINE BRIEFLY SOME OF THE MAJOR TENETS OF THIS NEW POLICY.

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6. US/NZ S&T AGREEMENT - IMPORTANCE GNZ PLACES ON THIS OUTLINED IN WELLINGTON'S 3159. COLIN MAIDEN, HEAD OF NZ EFFORTS UNDER AGREEMENT, PLANS TO BE IN WASHINGTON DURING MARCH TO CONSIDER WHICH US PROGRAMS MIGHT BEST FIT IN WITH NZ OBJECTIVES

7. PACIFIC ISLANDS- KIRK IS KEENLY INTERESTED IN PACIFIC ISLANDS. DEPSEC'S OBSERVATIONS THIS TOPIC SHOULD REFLECT US DESIRE SEE/NZ COOPERATION RATHER THAN COMPETITION. THIS PARTICULARLY IMPORTANT IN AID OPERATIONS AS LABOUR GOVERNMENT TRIPLING NZ AID BUDGET OVER THREE YEAR PERIOD. AID IS MORE OR LESS NEW ACTIVITY FOR GNZ WHICH SUFFERS FROM LACK OF EXPERTISE AND PERSONNEL. SUGGEST DEPARTMENT SEE SECTION 7 WELLINGTON'S A-7, JANUARY 31, 1974 FOR ANALYSIS PROBLEMS

AND POSSIBILITIES WESTERN SAMOA. DEPSEC SHOULD ALSO
BE PREPARED DISCUSS RELATIONS BETWEEN WESTERN SAMOA
AND AMERICAN SAMOA (SECTIONS 5 AND 8 REFAIR).

8. MICRONESIA - GIVEN KIRK'S INTEREST IN PACIFIC
ISLANDS GENERALLY, WE FEEL HE WOULD WELCOME FULL
BRIEFING ON US EFFORTS AND ACTIVITIES IN MICRONESIA.
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